

## Message Text

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42-54

ACTION AF-18

INFO OCT-01 ISO-00 EB-11 L-03 DRC-01 RSC-01 SS-20 SSO-00

PRS-01 /056 W

----- 083949

O 011545Z MAR 74

FM AMEMBASSY LUSAKA

TO SECSTATE WASHDC IMMEDIATE 9833

C O N F I D E N T I A L LUSAKA 0353

STADIS EXCEPT FOR OPIC////////////////////////////////////

PASS OPIC

EO 11652: GDS

TAGS: EFIN, ZA, US

SUBJECT: TAW

REF: STATE 40356

1. CANADIAN ADVISOR IN GRZ CONTINGENCY SECRETARIAT TOLD EMBOFF FEB 27 VERY CONFIDENTIALLY THAT CANCELLATION DECISION MADE BY CABINET CONTINGENCY COMMITTEE (COMPOSED OF "SIX OR SEVEN" MINISTERS AND CHAIRED BY PRIME MINISTER) IN LATE NOVEMBER OR EARLY DECEMBER AND REAFFIRMED BY SAME BODY WITH NEW MINISTERS AFTER ELECTION. FACT DECISION NOT COMMUNICATED TO TAW UNTIL FEBRUARY 19 DUE APPARENTLY TO NONCONCURRENCE BY MIN OF POWER, TRANSPORT AND WORKS SOKO. SOURCE SAIDE PRESSED SOKO FOR ACTION PRIOR TO DEPARTURE OF PRESIDENT AND PARTY (INCLUDING SOKO) FOR CHINA.

2. SOURCE SAID GRZ HAD CHECKED WITH UN AND OWN MIN OF LEGAL AFFAIRS BEFORE ACTING, AND BOTH CONCURRED IN VIEW "NO CONTRACT" UNTIL TRUCKS ARRIVE. DECISION NON-POLITICAL AND BASED MAINLY ON NON-DELIVERY OF TRUCKS WHEN NEEDED. SOURCE ADDED THAT HIGHER THAN ANTICIPATED TRAFFIC THROUGH LOBITO, LOWER THAN AVERAGE GENERAL IMPORTS, AND EARLY, PARTIAL USE OF TANZAM  
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RAILWAY TO ZAMBIAN BORDER ALL MADE NEED FOR TRUCKS LESS

THAN EXPECTED WHEN TAW CONTRACT SIGNED.

3. SOURCE CONCLUDED BY NOTING TAW HAD STATED ITS DESIRE FOR "AMICABLE" SETTLEMENT. HINTED GRZ SHARED THIS DESIRE AND WOULD BE PREPARED MAKE CASH PAYMENT. TALKS COULD BEGIN WHEN POLITICAL-LEVEL FIGURES RETURN FROM CHINA. EXPATRIATES IN CONTINGENCY SECRETARIAT WOULD HAVE NO FURTHER ROLE TO PLAY. HE WOULD NOT SPECULATE ON OUTCOME BUT SAID, IF HE AND HIS COLLEAGUES DID NOTHING BUT "STIFFEN THE BACKBONE" OF GRZ IN "RENEGOTIATIONS" WITH TAW, THEY WOULD HAVE PERFORMED MOST USEFUL SERVICE.

4. SUBSEQUENT TO MEETING WITH GRZ SOURCE, AMBASSADOR SAW SAVAGE AND RYDER LAWYER, DAVID WELLES, OF BAKER/MCKENZIE (NYC). LATTER SAID HE IN ZAMBIA ONLY BY CHANCE AT THIS TIME TO HANDLE ROUTINE LEGAL MATTERS FOR COMPANY. SAVAGE SAID TAW HAD RECEIVED LETTER FROM MIN OF LEGAL AFFAIRS INVITING THEM TO DISCUSSIONS WITHIN TEN DAYS. HE ALSO SAID TOM WOOD DUE IN LUSAKA THIS WEEKEND.

5. AFTERNOON MARCH 1 EMBOFF SPOKE WITH TAW LOCAL LAWYER SEBASTIAN ZULU IN COMPANY OF SAVAGE AND WELLES. ZULU STATED HIS BELIEF THAT CANCELLATION DUE TO GRZ CONCLUSION TRUCKS NOT NEEDED, WITH POLITICAL CONSIDERATIONS SECONDARY. HE DWELT ON FACT THAT SIWO'S LETTER OF FEB 19 SPOKE OF ABSOLVING GRZ OF "FUTURE" OBLIGATION TO TAW AND SAID THIS MEANT AGREEMENT WAS RECOGNIZED ONLY UP TO THAT DATE AND NOT BEYOND, WHICH HAD RELEVANCY FOR ANY CLAIM FOR DAMAGES TAW COULD MAKE. ZULU, SAVAGE AND WELLES UNANIMOUS IN STRESSING NEED FOR PROMPT APPEAL AGAINST CANCELLATION BUT CONCEDING NO PROGRESS POSSIBLE UNTIL MINISTER OF TRANSPORT AND OTHER KEY GRZ OFFICIALS RETURN FROM TRIP TO CHINA.

6. THERE SO FAR NOTHING IN PRESS ON CANCELLATION, ALTHOUGH DAILY MAIL REPORTER CALLED EMBOFF AFTERNOON FEB 28 FOR COMMENT ON REPORT HE HAD HEARD TO THAT EFFECT. BELIEVE STORY MAY BREAK SOON UNLESS EDITORS SPECIFICALLY TOLD NOT TO PRINT IT.

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7. COMMENT: REGARD ZULU AS HIGHLY COMPETENT LEGAL COUNSEL, WELL INTRODUCED IN GRZ CIRCLES FROM PREVIOUS GOVERNMENT EXPERIENCE AND EMINENTLY QUALIFIED TO PROTECT AND REPRESENT TAW'S INTERESTS. WE CONTINUE TO BELIEVE CASE ON PROPER COURSE IN HANDS OF LEGAL COUNSEL AND NOTHING POSITIVE WE CAN ACCOMPLISH AT THIS POINT BY MAKING FORMAL REPRESENTATIONS TO GRZ. INSTEAD, WILL CONTINUE TO SEEK FURTHER BACKGROUND ON CANCELLATION,

PARTICULARLY ON MAIN PARTICIPANTS TO DECISION AND  
INTENTIONS OF GRZ, POINTING OUT USG INTERESTS INVOLVED.  
WOULD APPRECIATE DEPT'S GUIDANCE REGARDING WORDING WE  
SHOULD FOLLOW WITH ANY GRZ OFFICIALS IN DESCRIBING US  
INTEREST IN CASE BEYOND GENERAL REFERENCE TO FINANCING  
AND INSURANCE BY OPIC AND LOAN GUARANTEE BY EXIM.  
WILKOWSKI

NOTE BY OC/T: NOT PASSED OPIC.

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NNN

## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TRUCKS, FOREIGN INVESTMENTS, TRUCKING COMPANIES, LEASES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 01 MAR 1974  
**Decaption Date:** 28 MAY 2004  
**Decaption Note:** 25 YEAR REVIEW  
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